

AMENDED IN ASSEMBLY AUGUST 24, 2000

AMENDED IN ASSEMBLY AUGUST 7, 2000

AMENDED IN SENATE APRIL 10, 2000

**SENATE BILL**

**No. 2170**

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**Introduced by Committee on Revenue and Taxation  
(Senators Chesbro (Chair), Alpert, Bowen, Burton,  
Johnston, McPherson, and Poochigian)**

February 25, 2000

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An act to amend Sections 51, 75.11, 75.21, 75.31, 227, 408, 532, 534, 674, 731, 732, 733, 746, 748, 749, 758, 759, 1605, 17935, and 19236 of, and to add Section 19052 to, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 2170, as amended, Committee on Revenue and Taxation. Property taxation.

(1) Existing property tax law specifies that exemptions shall be applied to the amount of the supplemental assessment, as defined, provided, among other things, that claims for exemption are filed.

This bill would restore provisions relating to veterans', homeowners', and disabled veterans' exemptions inadvertently deleted in prior legislation.

This bill would also provide that no additional exemption claim shall be required to be filed until the next succeeding lien date in the case in which a supplemental assessment results from a change in ownership of property where the purchaser of the property owns and uses or uses, as the case

may be, other property that has been granted the college, cemetery, church, religious, exhibition, veterans' organization, free public libraries, free museums, or welfare exemption on either the current roll or the roll being prepared and the property purchased is put to the same use.

(2) Existing property tax law provides that an escape or supplemental assessment may be levied for every year that property escaped assessment or was underassessed whenever a change in ownership statement was not filed.

This bill would revise those provisions to generally limit the collection of back taxes to 4 years, to 8 years when the escape or supplemental assessment is the result of an unrecorded change in ownership, and to 6 years for underreported personal property holdings. By imposing new duties upon local assessors, this bill would impose a state-mandated local program.

(3) Existing property tax law regulates appeals of assessments of state-assessed properties and appeals of the allocation of state assessments.

This bill would revise various deadlines and notice requirements with respect to those provisions.

This bill would eliminate the requirement to file a declaration of intent to petition for reassessment on unitary and nonunitary property.

(4) Existing property tax law provides for certain types of property tax assessments to be made outside the regular assessment period, provides for certain notices of those assessments to be given to assessees, and specifies that applications for reduction of those assessments are required to be filed within certain time periods.

This bill would clarify the various periods for the filing of an appeal of certain assessments made outside of the normal assessment period, would establish specified periods for the filing of an appeal of a supplemental, or penal or escape, assessment, together with an affidavit under penalty of perjury, in the case in which the assessee does not receive notice of the assessment at least 15 days prior to the normal deadline for the filing of an appeal. This *bill* would also specify the contents of the notice that is required to be provided to an assessee with respect to a penal or escape assessment. By



creating a new crime in the form of perjury, this bill would establish a state-mandated local program.

(5) Existing property tax law specifies, for a county that has not adopted an ordinance under a specified statute with respect to the new valuation of damaged or destroyed property, the method of calculation of the taxable value of real property that has been damaged or destroyed, as provided, or that has been subject to voluntary removal by the taxpayer. Existing law establishes that calculation on the basis of the lesser of the base year value and the full cash value of the subject real property.

This bill would clarify, for purposes of calculating the taxable value of real property that has been destroyed or been subject to voluntary removal, that the base year value of the real property does not include that portion of the prior base year value of the property that was attributable to that portion of the property that was destroyed or removed.

Existing property tax law specifies that a documented vessel, as defined, shall be assessed at 4% of its full cash value only if that vessel is engaged or employed exclusively in any of certain undertakings.

This bill would make a technical, nonsubstantive change by eliminating obsolete reimbursement provisions contained in these provisions.

(6) Existing property tax law provides that certain assessor's appraisal information shall be disclosed to specified state agencies, and certain of those agencies shall reimburse the assessor for costs.

This bill would include the State Lands Commission as one of those state agencies to which that information shall be disclosed for costs.

(7) Existing property tax law provides that all contracts for the performance of appraisal work for assessors by individuals that are not employees of specified governmental entities shall be entered into only after at least 2 competitive bids.

This bill would provide that those individuals and contracts are subject to specified confidentiality rules and requirements, require that certain records be returned to assessors, *and* clarify that requests from taxpayers have



specific authorization, ~~and make the failure to maintain confidentiality a misdemeanor.~~

(8) The Personal Income Tax Law imposes a specified annual tax upon limited partnerships.

This bill would provide that specified limited partnerships that ceased doing business would not be subject to that tax, as provided.

(9) Existing laws provide that, for purposes of issuing a warrant of the collection of income and bank and corporation taxes, no levy may be issued on any property or right to property to be sold until a thorough investigation has been completed by the Franchise Tax Board.

This bill would clarify that trade or business property may not be levied upon unless the levy is approved by the board's assistant executive officer or the board finds that collection of the tax is in jeopardy.

(10) The Personal Income Tax Law provides a specified refundable child care credit.

This bill would provide that denial of credits or refunds shall be made as provided and would permit claimants a right of protest and appeal.

(11) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



*The people of the State of California do enact as follows:*

SECTION 1. Section 51 of the Revenue and Taxation Code is amended to read:

51. (a) For purposes of subdivision (b) of Section 2 of Article XIII A of the California Constitution, for each lien date after the lien date in which the base year value is determined pursuant to Section 110.1, the taxable value of real property shall, except as otherwise provided in subdivision (b) or (c), be the lesser of:

(1) Its base year value, compounded annually since the base year by an inflation factor, which shall be determined as follows:

(A) For any assessment year commencing prior to January 1, 1985, the inflation factor shall be the percentage change in the cost of living, as defined in Section 2212.

(B) For any assessment year commencing after January 1, 1985, and prior to January 1, 1998, the inflation factor shall be the percentage change, rounded to the nearest one-thousandth of 1 percent, from December of the prior fiscal year to December of the current fiscal year in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

(C) For any assessment year commencing on or after January 1, 1998, the inflation factor shall be the percentage change, rounded to the nearest one-thousandth of 1 percent, from October of the prior fiscal year to October of the current fiscal year in the California Consumer Price Index for all items, as determined by the California Department of Industrial Relations.

(D) In no event shall the percentage increase for any assessment year determined pursuant to subparagraph (A), (B), or (C) exceed 2 percent of the prior year's value.

(2) Its full cash value, as defined in Section 110, as of the lien date, taking into account reductions in value due to damage, destruction, depreciation, obsolescence,

1 removal of property, or other factors causing a decline in  
2 value.

3 (b) If the real property was damaged or destroyed by  
4 disaster, misfortune, or calamity and the board of  
5 supervisors of the county in which the real property is  
6 located has not adopted an ordinance pursuant to Section  
7 170, or any portion of the real property has been removed  
8 by voluntary action by the taxpayer, the taxable value of  
9 the property shall be the sum of the following:

10 (1) The lesser of its base year value of land determined  
11 under paragraph (1) of subdivision (a) or full cash value  
12 of land determined pursuant to paragraph (2) of  
13 subdivision (a).

14 (2) The lesser of its base year value of improvements  
15 determined pursuant to paragraph (1) of subdivision (a)  
16 or the full cash value of improvements determined  
17 pursuant to paragraph (2) of subdivision (a).

18 In applying this subdivision, the base year value of the  
19 subject real property does not include that portion of the  
20 previous base year value of that property that was  
21 attributable to any portion of the property that has been  
22 destroyed or removed. The sum determined under this  
23 subdivision shall then become the base year value of the  
24 real property until that property is restored, repaired, or  
25 reconstructed or other provisions of law require  
26 establishment of a new base year value.

27 (c) If the real property was damaged or destroyed by  
28 disaster, misfortune or calamity and the board of  
29 supervisors in the county in which the real property is  
30 located has adopted an ordinance pursuant to Section 170,  
31 the taxable value of the real property shall be its assessed  
32 value as computed pursuant to Section 170.

33 (d) For purposes of this section, “real property” means  
34 that appraisal unit that persons in the marketplace  
35 commonly buy and sell as a unit, or that is normally valued  
36 separately.

37 (e) Nothing in this section shall be construed to  
38 require the assessor to make an annual reappraisal of all  
39 assessable property. However, for each lien date after the  
40 first lien date for which the taxable value of property is

1 reduced pursuant to paragraph (2) of subdivision (a), the  
2 value of that property shall be annually reappraised at its  
3 full cash value as defined in Section 110 until that value  
4 exceeds the value determined pursuant to paragraph (1)  
5 of subdivision (a). In no event shall the assessor condition  
6 the implementation of the preceding sentence in any  
7 year upon the filing of an assessment appeal.

8 SEC. 1.5. Section 75.11 of the Revenue and Taxation  
9 Code is amended to read:

10 75.11. (a) If the change in ownership occurs or the  
11 new construction is completed on or after January 1 but  
12 on or before May 31, then there shall be two supplemental  
13 assessments placed on the supplemental roll. The first  
14 supplemental assessment shall be the difference between  
15 the new base year value and the taxable value on the  
16 current roll. In the case of a change in ownership of the  
17 full interest in the real property, the second supplemental  
18 assessment shall be the difference between the new base  
19 year value and the taxable value to be enrolled on the roll  
20 being prepared. If the change in ownership is of only a  
21 partial interest in the real property, the second  
22 supplemental assessment shall be the difference between  
23 the sum of the new base year value of the portion  
24 transferred plus the taxable value on the roll being  
25 prepared of the remainder of the property and the  
26 taxable value on the roll being prepared of the whole  
27 property. For new construction, the second  
28 supplemental assessment shall be the value change due  
29 to the new construction.

30 (b) If the change in ownership occurs or the new  
31 construction is completed on or after June 1 but before  
32 the succeeding January 1, then the supplemental  
33 assessment placed on the supplemental roll shall be the  
34 difference between the new base year value and the  
35 taxable value on the current roll.

36 (c) If there are multiple changes in ownership or  
37 multiple completions of new construction, or both, with  
38 respect to the same real property during the same  
39 assessment year, then there shall be a net supplemental  
40 assessment placed on the supplemental roll, in addition to

1 the assessment pursuant to subdivision (a) or (b). The net  
2 supplemental assessment shall be the most recent new  
3 base year value less the sum of (1) the previous entry or  
4 entries placed on the supplemental roll computed  
5 pursuant to subdivision (a) or (b), and (2) the  
6 corresponding taxable value on the current roll or the  
7 taxable value to be entered on the roll being prepared, or  
8 both, depending on the date or dates the change of  
9 ownership occurs or new construction is completed as  
10 specified in subdivisions (a) and (b).

11 (d) No supplemental assessment authorized by this  
12 section shall be valid, or have any force or effect, unless  
13 it is placed on the supplemental roll on or before the  
14 applicable date specified in paragraph (1), (2), or (3), as  
15 follows:

16 (1) The fourth July 1 following the July 1 of the  
17 assessment year in which either a statement reporting the  
18 change in ownership was filed pursuant to Section 480,  
19 480.1, or 480.2, a preliminary change in ownership report  
20 was filed pursuant to Section 480.3, or the new  
21 construction was completed.

22 (2) The sixth July 1 following the July 1 of the  
23 assessment year in which either a statement reporting the  
24 change in ownership was filed pursuant to Section 480,  
25 480.1, or 480.2, a preliminary change in ownership report  
26 was filed pursuant to Section 480.3, or the new  
27 construction was completed, if the penalty provided for  
28 in Section 504 is added to the assessment.

29 (3) The eighth July 1 following the July 1 of the  
30 assessment year in which the event giving rise to the  
31 supplemental assessment occurred, if the change in  
32 ownership or change in control was unrecorded and a  
33 change in ownership statement required by Section 480  
34 or preliminary change in ownership report, as required  
35 by Section 480.3, was not timely filed.

36 (4) Notwithstanding paragraphs (1), (2), and (3),  
37 there shall be no limitations period on making a  
38 supplemental assessment, if the penalty provided for in  
39 Section 503 is added to the assessment.



For the purposes of this subdivision, “assessment year” means the period beginning annually as of 12:01 a.m. on the first day of January and ending immediately prior to the succeeding first day of January.

(e) If, before the expiration of the applicable period specified in subdivision (d) for making a supplemental assessment, the taxpayer and the assessor agree in writing to extend the period for making a supplemental assessment, correction, or claim for refund, a supplemental assessment may be made at any time prior to the expiration of that extended period. The extended period may be further extended by successive written agreements entered into prior to the expiration of the most recent extension.

SEC. 2. Section 75.21 of the Revenue and Taxation Code is amended to read:

75.21. (a) Exemptions shall be applied to the amount of the supplemental assessment, provided that the property is not receiving any other exemption on either the current roll or the roll being prepared except as provided for in subdivision (b), that the assessee is eligible for the exemption, and that in those instances in which the provisions of this division require the filing of claims for exemption, the assessee makes a claim for the exemption.

(b) If the property received an exemption on the current roll or the roll being prepared and the assessee on the supplemental roll is eligible for an exemption and in those instances in which the provisions of this division require the filing of claims for exemption, the assessee makes a claim for an exemption of a greater amount, then the difference in the amount between the two exemptions shall be applied to the supplemental assessment.

(c) In those instances in which the provisions of this division require the filing of claims for exemption, except as provided in subdivision (d), (e), or (f), any person claiming to be eligible for an exemption to be applied against the amount of the supplemental assessment shall file a claim or an amendment to a current claim, in that

1 form as prescribed by the board, on or before the 30th day  
2 following the date of notice of the supplemental  
3 assessment, in order to receive a 100-percent exemption.

4 (1) With respect to property as to which the college,  
5 cemetery, church, religious, exhibition, veterans'  
6 organization, free public libraries, free museums, or  
7 welfare exemption was available, but for which a timely  
8 application for exemption was not filed, the following  
9 amounts shall be canceled or refunded:

10 (A) Ninety percent of any tax or penalty or interest  
11 thereon, or any amount of tax or penalty or interest  
12 thereon exceeding two hundred fifty dollars (\$250) in  
13 total amount, whichever is greater, for each  
14 supplemental assessment, provided that an appropriate  
15 application for exemption is filed on or before the date on  
16 which the first installment of taxes on the supplemental  
17 tax bill becomes delinquent, as provided by Section 75.52.

18 (B) Eighty-five percent of any tax or penalty or  
19 interest thereon, or any amount of tax or penalty or  
20 interest thereon exceeding two hundred fifty dollars  
21 (\$250) in total amount, whichever is greater, for each  
22 supplemental assessment, if an appropriate application  
23 for exemption is thereafter filed.

24 (2) With respect to property as to which the welfare  
25 exemption or veterans' organization exemption was  
26 available, all provisions of Section 254.5, other than the  
27 specified dates for the filing of affidavits and other acts,  
28 are applicable to this section.

29 (3) With respect to property as to which the veterans',  
30 homeowners', or disabled veterans' exemption was  
31 available, but for which a timely application for  
32 exemption was not filed, that portion of tax attributable  
33 to 80 percent of the amount of exemption available shall  
34 be canceled or refunded, provided that an appropriate  
35 application for exemption is filed on or before the date on  
36 which the first installment of taxes on the supplemental  
37 tax bill becomes delinquent, as provided by Section 75.52.

38 (4) With respect to property as to which any other  
39 exemption was available, but for which a timely

1 application for exemption was not filed, the following  
2 amounts shall be canceled or refunded:

3 (A) Ninety percent of any tax or penalty or interest  
4 thereon, provided that an appropriate application for  
5 exemption is filed on or before the date on which the first  
6 installment of taxes on the supplemental tax bill becomes  
7 delinquent, as provided by Section 75.52.

8 (B) Eighty-five percent of any tax or penalty or  
9 interest thereon, or any amount of tax or penalty or  
10 interest thereon exceeding two hundred fifty dollars  
11 (\$250) in total amount, whichever is greater, for each  
12 supplemental assessment, if an appropriate application  
13 for exemption is thereafter filed.

14 Other provisions of this division pertaining to the late  
15 filing of claims for exemption do not apply to assessments  
16 made pursuant to this chapter.

17 (d) For purposes of this section, any claim for the  
18 homeowners' exemption, veterans' exemption, or  
19 disabled veterans' exemption previously filed by the  
20 owner of a dwelling, granted and in effect, constitutes the  
21 claim or claims for that exemption required in this  
22 section. In the event that no claim for the homeowners'  
23 exemption, veterans' exemption, or disabled veterans'  
24 exemption is in effect, a claim for any of those exemptions  
25 for a single supplemental assessment for a change in  
26 ownership or new construction occurring on or after June  
27 1, up to and including December 31, shall apply to that  
28 assessment; a claim for any of those exemptions for the  
29 two supplemental assessments for a change in ownership  
30 or new construction occurring on or after January 1, up  
31 to and including May 31, one for the current fiscal year  
32 and one for the following fiscal year, shall apply to those  
33 assessments. In either case, if granted, the claim shall  
34 remain in effect until title to the property changes, the  
35 owner does not occupy the home as his or her principal  
36 place of residence on the lien date, or the property is  
37 otherwise ineligible pursuant to Section 205, 205.5, or 218.

38 (e) Notwithstanding subdivision (c), no additional  
39 exemption claim shall be required to be filed until the  
40 next succeeding lien date in the case in which a

1 supplemental assessment results from the completion of  
2 new construction on property that has previously been  
3 granted exemption on either the current roll or the roll  
4 being prepared.

5 (f) (1) Notwithstanding subdivision (c), no additional  
6 exemption claim shall be required to be filed until the  
7 next succeeding lien date in the instance where a  
8 supplemental assessment results from a change in  
9 ownership of property where the purchaser of the  
10 property owns and uses or uses, as the case may be, other  
11 property that has been granted the college, cemetery,  
12 church, religious, exhibition, veterans' organization, free  
13 public libraries, free museums, or welfare exemption on  
14 either the current roll or the roll being prepared and the  
15 property purchased is put to the same use. If a timely  
16 application for exemption is not filed on the next  
17 succeeding lien date, then the provisions of paragraph (1)  
18 of subdivision (c) shall apply.

19 (2) In all other instances where a supplemental  
20 assessment results from a change in ownership of  
21 property, an application for exemption shall be filed  
22 pursuant to the provisions of subdivision (c).

23 SEC. 3. Section 75.31 of the Revenue and Taxation  
24 Code is amended to read:

25 75.31. (a) Whenever the assessor has determined a  
26 new base year value as provided in Section 75.10, the  
27 assessor shall send a notice to the assessee showing the  
28 following:

29 (1) The new base year value of the property that has  
30 changed ownership, or the new base year value of the  
31 completed new construction that shall be added to the  
32 existing taxable value of the remainder of the property.

33 (2) The taxable value appearing on the current roll,  
34 and if the change in ownership or completion of new  
35 construction occurred between January 1 and May 31, the  
36 taxable value on the roll being prepared.

37 (3) The date of the change in ownership or completion  
38 of new construction.

39 (4) The amount of the supplemental assessments.

1 (5) The exempt amount, if any, on the current roll or  
2 the roll being prepared.

3 (6) The date the notice was mailed.

4 (7) A statement that the supplemental assessment was  
5 determined in accordance with Article XIII A of the  
6 California Constitution that generally requires  
7 reappraisal of property whenever a change in ownership  
8 occurs or property is newly constructed.

9 (8) Any other information which the board may  
10 prescribe.

11 (b) In addition to the information specified in  
12 subdivision (a), the notice shall inform the assessee of the  
13 procedure for filing a claim for exemption that is to be  
14 filed within 30 days of the date of the notice.

15 (c) (1) The notice shall advise the assessee of the right  
16 to an informal review and the right to appeal the  
17 supplemental assessment, and, unless subject to  
18 paragraph (2) or (3), that the appeal shall be filed within  
19 60 days of the date of mailing printed on the notice or the  
20 postmark date therefor, whichever is later. For the  
21 purposes of equalization proceedings, the supplemental  
22 assessment shall be considered an assessment made  
23 outside of the regular assessment period as provided in  
24 Section 1605.

25 (2) For counties in which the board of supervisors has  
26 adopted the provisions of subdivision (c) of Section 1605,  
27 the notice shall advise the assessee of the right to appeal  
28 the supplemental assessment, and that the appeal shall,  
29 except as provided in paragraph (3), be filed within 60  
30 days of the date of mailing printed on the tax bill or the  
31 postmark date therefor, whichever is later. For the  
32 purposes of equalization proceedings, the supplemental  
33 assessment shall be considered an assessment made  
34 outside of the regular assessment period as provided in  
35 Section 1605.

36 (3) (A) If the taxpayer does not receive a notice in  
37 accordance with this section at least 15 days prior to the  
38 deadline to file the application described in Section 1603,  
39 the affected party or his or her agent may file an  
40 application within 60 days of the date of mailing printed

1 on the tax bill or the postmark thereof, whichever is later,  
2 along with an affidavit declaring under penalty of perjury  
3 that the notice was not timely received.

4 (B) Notwithstanding any other provision of this  
5 subdivision, an application for reduction in a  
6 supplemental assessment may be filed within 12 months  
7 following the month in which the assessee is notified of  
8 that assessment, if the affected party or his or her agent  
9 and the assessor stipulate that there is an error in  
10 assessment as the result of the exercise of the assessor's  
11 judgment in determining the full cash value of the  
12 property and a written stipulation as to the full cash value  
13 and the assessed value is filed in accordance with Section  
14 1607.

15 (d) The notice shall advise the assessee of both of the  
16 following:

17 (1) The requirements, procedures, and deadlines with  
18 respect to an application for the reduction of a base year  
19 value pursuant to Section 80, or the reduction of an  
20 assessment pursuant to Section 1603.

21 (2) The criteria under Section 51 for the  
22 determination of taxable value, and the requirement of  
23 Section 1602 that the custodial officer of the local roll  
24 make the roll, or a copy thereof, available for inspection  
25 by all interested parties during regular office hours.

26 (e) The notice shall advise the assessee that if the  
27 supplemental assessment is a negative amount the  
28 auditor shall make a refund of a portion of taxes paid on  
29 assessments made on the current roll, or the roll being  
30 prepared, or both.

31 (f) The notice shall be furnished by the assessor to the  
32 assessee by regular United States mail directed to the  
33 assessee at the assessee's latest address known to the  
34 assessor.

35 (g) The notice given by the assessor under this section  
36 shall be on a form prescribed by the State Board of  
37 Equalization.

38 SEC. 4. Section 227 of the Revenue and Taxation  
39 Code is amended to read:



1 227. A documented vessel, as defined in Section 130,  
2 shall be assessed at 4 percent of its full cash value only if  
3 the vessel is engaged or employed exclusively in any of  
4 the following:

5 (a) In the taking and possession of fish or other living  
6 resource of the sea for commercial purposes.

7 (b) In instruction or research studies as an  
8 oceanographic research vessel.

9 (c) In carrying or transporting seven or more people  
10 for hire for commercial passenger fishing purposes and  
11 holds a current certificate of inspection issued by the  
12 United States Coast Guard. A vessel shall not be deemed  
13 to be engaged or employed in activities other than the  
14 carrying or transporting of seven or more persons for hire  
15 for commercial passenger fishing purposes by reason of  
16 that vessel being used occasionally for dive, tour, or whale  
17 watching purposes. For purposes of this subdivision,  
18 “occasionally” means 15 percent or less of the total  
19 operating time logged for the immediately preceding  
20 assessment year.

21 SEC. 4.6. Section 408 of the Revenue and Taxation  
22 Code is amended to read:

23 408. (a) Except as otherwise provided in subdivisions  
24 (b), (c), (d), and (e) any information and records in the  
25 assessor’s office that are not required by law to be kept or  
26 prepared by the assessor, and homeowners’ exemption  
27 claims, are not public documents and shall not be open to  
28 public inspection. Property receiving the homeowners’  
29 exemption shall be clearly identified on the assessment  
30 roll. The assessor shall maintain records which shall be  
31 open to public inspection to identify those claimants who  
32 have been granted the homeowners’ exemption.

33 (b) The assessor may provide any appraisal data in his  
34 or her possession to the assessor of any county.

35 The assessor shall disclose information, furnish  
36 abstracts, or permit access to all records in his or her office  
37 to law enforcement agencies, the county grand jury, the  
38 board of supervisors or their duly authorized agents,  
39 employees or representatives when conducting an  
40 investigation of the assessor’s office pursuant to Section



1 25303 of the Government Code, the Controller,  
2 employees of the Controller for property tax  
3 postponement purposes, probate referees, employees of  
4 the Franchise Tax Board for tax administration purposes  
5 only, staff appraisers of the Department of Financial  
6 Institutions, the Department of Transportation, the  
7 Department of General Services, the State Board of  
8 Equalization, the State Lands Commission, the State  
9 Department of Social Services, the Department of Water  
10 Resources, and other duly authorized legislative or  
11 administrative bodies of the state pursuant to their  
12 authorization to examine the records. Whenever the  
13 assessor discloses information, furnishes abstracts, or  
14 permits access to records in his or her office to staff  
15 appraisers of the Department of Financial Institutions,  
16 the Department of Transportation, the Department of  
17 General Services, the State Lands Commission, or the  
18 Department of Water Resources pursuant to this section,  
19 the department shall reimburse the assessor for any costs  
20 incurred as a result thereof.

21 (c) Upon the request of the tax collector, the assessor  
22 shall disclose and provide to the tax collector information  
23 used in the preparation of that portion of the unsecured  
24 roll for which the taxes thereon are delinquent. The tax  
25 collector shall certify to the assessor that he or she needs  
26 the information requested for the enforcement of the tax  
27 lien in collecting those delinquent taxes. Information  
28 requested by the tax collector may include social security  
29 numbers, and the assessor shall recover from the tax  
30 collector his or her actual and reasonable costs for  
31 providing the information. The tax collector shall add the  
32 costs described in the preceding sentence to the assessee's  
33 delinquent tax lien and collect those costs subject to  
34 subdivision (e) of Section 2922.

35 (d) The assessor shall, upon the request of an assessee  
36 or his or her designated representative, permit the  
37 assessee or representative to inspect or copy any market  
38 data in the assessor's possession. For purposes of this  
39 subdivision, "market data" means any information in the  
40 assessor's possession, whether or not required to be





1 prepared or kept by him or her, relating to the sale of any  
2 property comparable to the property of the assessee, if  
3 the assessor bases his or her assessment of the assessee's  
4 property, in whole or in part, on that comparable sale or  
5 sales. The assessor shall provide the names of the seller  
6 and buyer of each property on which the comparison is  
7 based, the location of that property, the date of the sale,  
8 and the consideration paid for the property, whether paid  
9 in money or otherwise. However, for purposes of  
10 providing market data, the assessor shall not display any  
11 document relating to the business affairs or property of  
12 another.

13 (e) (1) With respect to information, documents, and  
14 records, other than market data as defined in subdivision  
15 (d), the assessor shall, upon request of an assessee of  
16 property, or his or her designated representative, permit  
17 the assessee or representative to inspect or copy all  
18 information, documents, and records, including auditors'  
19 narrations and workpapers, whether or not required to be  
20 kept or prepared by the assessor, relating to the appraisal  
21 and the assessment of the assessee's property, and any  
22 penalties and interest thereon.

23 (2) After enrolling an assessment, the assessor shall  
24 respond to a written request for information supporting  
25 the assessment, including, but not limited to, any  
26 appraisal and other data requested by the assessee.

27 (3) Except as provided in Section 408.1, an assessee, or  
28 his or her designated representative, shall not be  
29 permitted to inspect or copy information and records that  
30 also relate to the property or business affairs of another,  
31 unless that disclosure is ordered by a competent court in  
32 a proceeding initiated by a taxpayer seeking to challenge  
33 the legality of the assessment of his or her property.

34 (f) (1) Permission for the inspection or copying  
35 requested pursuant to subdivision (d) or (e) shall be  
36 granted as soon as reasonably possible to the assessee or  
37 his or her designated representative.

38 (2) If the assessee, or his or her designated  
39 representative, requests the assessor to make copies of  
40 any of the requested records, the assessee shall reimburse

1 the assessor for the reasonable costs incurred in  
2 reproducing and providing the copies.

3 (3) If the assessor fails to permit the inspection or  
4 copying of materials or information as requested  
5 pursuant to subdivision (d) or (e) and the assessor  
6 introduces any requested materials or information at any  
7 assessment appeals board hearing, the assessee or his or  
8 her representative may request and shall be granted a  
9 continuance for a reasonable period of time. The  
10 continuance shall extend the two-year period specified in  
11 subdivision (c) of Section 1604 for a period of time equal  
12 to the period of continuance.

13 SEC. 4.7. Section 532 of the Revenue and Taxation  
14 Code is amended to read:

15 532. (a) Except as provided in subdivision (b), any  
16 assessment made pursuant to either Article 3  
17 (commencing with Section 501) or this article shall be  
18 made within four years after July 1 of the assessment year  
19 in which the property escaped taxation or was  
20 underassessed.

21 (b) (1) Any assessment to which the penalty provided  
22 for in Section 504 must be added shall be made within six  
23 years after July 1 of the assessment year in which the  
24 property escaped taxation or was underassessed.

25 (2) Any assessment resulting from an unrecorded  
26 change in ownership or change in control for which  
27 either a change in ownership statement, as required by  
28 Section 480 or a preliminary change in ownership report,  
29 as required by Section 480.3, is not filed with respect to  
30 the event giving rise to the escape assessment or  
31 underassessment shall be made within eight years after  
32 July 1 of the assessment year in which the property  
33 escaped taxation or was underassessed. For purposes of  
34 this paragraph, an “unrecorded change in ownership or  
35 change in control” means a deed or other document  
36 evidencing a change in ownership that was not filed with  
37 the county recorder’s office at the time the event took  
38 place.

39 (3) Notwithstanding paragraphs (1) and (2), in the  
40 case where property has escaped taxation, in whole or in

part, or has been underassessed, following a change in ownership and either the penalty provided for in Section 503 must be added or a change in ownership statement, as required by Section 480.1 or 480.2 was not filed with respect to the event giving rise to the escape assessment or underassessment, an escape assessment shall be made for each year in which the property escaped taxation or was underassessed.

(c) For purposes of this section, “assessment year” means the period defined in Section 118.

SEC. 5. Section 534 of the Revenue and Taxation Code is amended to read:

534. (a) Assessments made pursuant to Article 3 (commencing with Section 501) or this article shall be treated like, and taxed at the same rate applicable to, property regularly assessed on the roll on which it is entered, unless the assessment relates to a prior year and then the tax rate of the prior year shall be applied, except that the tax rate for years prior to the 1981–82 fiscal year shall be divided by four.

(b) No assessment described in subdivision (a) shall be effective for any purpose, including its review, equalization and adjustment by the Board of Equalization, until the assessee has been notified thereof personally or by United States mail at his *or her* address as contained in the official records of the county assessor. For purposes of Section 532, the assessment shall be deemed made on the date on which it is entered on the roll pursuant to Section 533, if the assessee is notified of the assessment within 60 days after the statute of limitations or the placing of the escape assessment on the assessment roll. Otherwise the assessment shall be deemed made only on the date the assessee is so notified.

(c) The notice given by the assessor pursuant to this section shall include all of the following:

(1) The date the notice was mailed.

(2) Information regarding the assessee’s right to an informal review and the right to appeal the assessment, and except in a case in which paragraph (3) applies, that the appeal shall be filed within 60 days of the date of

1 mailing printed on the notice or the postmarked date  
2 therefor, whichever is later. For the purposes of  
3 equalization proceedings, the supplemental assessment  
4 shall be considered an assessment made outside of the  
5 regular assessment period as provided in Section 1605.

6 (3) For counties in which the board of supervisors has  
7 adopted a resolution in accordance with subdivision (c)  
8 of Section 1605, the notice shall advise the assessee of the  
9 right to appeal the assessment, and that the appeal shall  
10 be filed within 60 days of the date of mailing printed on  
11 the tax bill or the postmark therefor, whichever is later.  
12 For the purposes of equalization proceedings, the  
13 supplemental assessment shall be considered an  
14 assessment made outside of the regular assessment period  
15 as provided in Section 1605.

16 (4) A description of the requirements, procedures,  
17 and deadlines with respect to an application for the  
18 reduction of an assessment pursuant to Section 1605.

19 (d) (1) The notice given by the assessor under this  
20 section shall be on a form prescribed by the board.

21 (2) Giving of the notice required by Section 531.8 shall  
22 not satisfy the requirements of this section.

23 SEC. 5.5. Section 674 of the Revenue and Taxation  
24 Code is amended to read:

25 674. (a) All contracts for the performance of  
26 appraisal work for assessors by any person who is not an  
27 employee of the state, any county, or any city shall be  
28 entered into only after at least two competitive bids and  
29 shall be entered into either on a fixed fee basis or on the  
30 basis of an hourly rate with a maximum dollar amount.

31 (b) In addition to any provision in the Real Estate  
32 Appraisers' Licensing and Certification Law (Part 3  
33 commencing with Section 11300) of Division 4 of the  
34 Business and Professions Code), a contractor shall  
35 maintain the confidentiality of assessee information and  
36 records as provided in Sections 408, 451, and 481 that is  
37 obtained in performance of the contract.

38 (1) A request for information and records from an  
39 assessee shall be made by the assessor. The assessor may  
40 authorize a contractor to request additional information

1 or records, if needed. However, a contractor shall not  
2 request that information or records without the written  
3 authorization of the assessor.

4 (2) A contractor shall not provide appraisal data in his  
5 or her possession to the assessor or a contractor of another  
6 county who is not a party to the contract. An assessor may  
7 provide that data to the assessor of another county as  
8 provided in subdivision (b) of Section 408.

9 ~~(c) It is unlawful for any contractor to~~ A contractor  
10 ~~may not~~ retain information contained in, or derived from,  
11 an assessee's confidential information and records after  
12 the conclusion, termination, or nonrenewal of the  
13 contract. Within 90 days of the conclusion, termination,  
14 or nonrenewal of the contract, the contractor shall:

15 (1) Purge and return to the assessor any assessee  
16 records, whether originals, copies, or electronically  
17 stored, provided by the assessor or otherwise obtained  
18 from the assessee.

19 (2) Provide a written declaration ~~under penalty of~~  
20 ~~perjury~~ to the assessor that the contractor has complied  
21 with this subdivision.

22 (d) All contracts entered into pursuant to subdivision  
23 (a) shall include a provision incorporating the  
24 requirements of ~~subdivision~~ subdivisions (b) and (c).  
25 This provision of the contract shall use language that is  
26 prescribed by the State Board of Equalization.

27 ~~(e) In addition to any provision in the Real Estate~~  
28 ~~Appraisers' Licensing and Certification Law, any~~  
29 ~~violation of subdivision (b) or (c) by a contractor is a~~  
30 ~~misdemeanor and is punishable by a fine not exceeding~~  
31 ~~five thousand dollars (\$5,000), by imprisonment not~~  
32 ~~exceeding six months, or by both, in the discretion of the~~  
33 ~~court.~~

34 ~~(f)~~

35 (e) For purposes of this section, a "contractor" means  
36 any person who is not an employee of the state, any  
37 county, or any city who performs appraisal work pursuant  
38 to a contract with an assessor.

39 SEC. 6. Section 731 of the Revenue and Taxation  
40 Code is amended to read:

1     731. Each year between the first day of January and  
2 the first day of June, upon valuing the unitary property  
3 of an assessee, the board shall mail to the assessee, at its  
4 address as shown in the records of the board, a notice  
5 stating the amount of the assessed value of the assessee's  
6 unitary property. The notice shall advise the assessee that  
7 a petition for reassessment of the unitary property may be  
8 filed, not later than July 20 of the year of the notice, at the  
9 headquarters of the board in Sacramento.

10    SEC. 7. Section 732 of the Revenue and Taxation  
11 Code is amended to read:

12     732. Each year between the first day of January and  
13 the last day of July, upon valuing the nonunitary property  
14 of an assessee, the board shall mail to the assessee at its  
15 address shown in the records of the board a notice stating  
16 the amount of the assessed value of the assessee's  
17 nonunitary property. The notice shall advise the assessee  
18 that a petition for reassessment of the nonunitary  
19 property may be filed, not later than September 20 of the  
20 year of the notice, at the headquarters of the board in  
21 Sacramento.

22    SEC. 8. Section 733 of the Revenue and Taxation  
23 Code is amended to read:

24     733. (a) If a timely petition for reassessment is not  
25 filed with the board, an assessment of unitary or  
26 nonunitary property of the assessee shall become final at  
27 the expiration of the period specified for filing a petition  
28 in the notice given in accordance with Section 731 or  
29 Section 732.

30     (b) The board may extend the period for filing a  
31 petition for reassessment once for a period not to exceed  
32 15 days, provided a written request for the extension is  
33 filed with the board prior to the expiration of the period  
34 for which the extension may be granted.

35    SEC. 9. Section 746 of the Revenue and Taxation  
36 Code is amended to read:

37     746. Each year, upon or prior to the completion of the  
38 assessment roll prepared by the board, but not later than  
39 June 15, the board shall mail notice to each assessee at its  
40 address as shown on the records of the board, of the

1 allocated assessed values of the assessee's unitary  
2 property that have been or are proposed to be placed on  
3 the assessment roll to be transmitted to county auditors.  
4 The notice shall advise the assessee that a petition for a  
5 correction of an allocated assessment may be filed, not  
6 later than July 20 of the year of the notice, at the  
7 headquarters of the board in Sacramento.

8 SEC. 10. Section 748 of the Revenue and Taxation  
9 Code is amended to read:

10 748. Upon receipt of a timely petition for correction  
11 of an allocated assessment, the board shall set a time and  
12 place within the state for hearing on the petition. Notice  
13 thereof shall be mailed to the assessee at its address as  
14 shown on the records of the board not less than 10  
15 working days, in advance of the date of the hearing.

16 SEC. 11. Section 749 of the Revenue and Taxation  
17 Code is amended to read:

18 749. Section 743 shall be applicable to hearings on  
19 petitions for correction of an allocated assessment and the  
20 board shall notify the petitioner of its decision by mail.  
21 The decision shall include written findings and  
22 conclusions of the board if requested at or prior to the  
23 commencement of the hearing. Decisions of the board on  
24 petitions for correction of an unallocated assessment shall  
25 be completed on or before December 31.

26 SEC. 12. Section 758 of the Revenue and Taxation  
27 Code is amended to read:

28 758. If the board roll has been transmitted to the local  
29 auditors, the board may make an assessment of escaped  
30 property or a roll correction. At least 30 days prior to  
31 transmitting a statement of assessment of escaped  
32 property or making a roll correction, the board shall  
33 notify the assessee whose property's full value has  
34 increased as a result of an escape assessment or roll  
35 correction of the assessed value of that property as it shall  
36 appear on the corrected roll. The notice shall be mailed  
37 to the assessee at its address shown in the records of the  
38 board. The notice shall advise the assessee of the date by  
39 which and the place where a petition for reassessment  
40 may be filed. The date for filing the petition shall not be



1 less than 50 days from the date of the mailing of the notice  
2 of value. The provisions of Sections 741 to 744, inclusive,  
3 shall be applicable to petitions and hearings pursuant to  
4 this section except for the dates prescribed for decisions  
5 of the board.

6 SEC. 13. Section 759 of the Revenue and Taxation  
7 Code is amended to read:

8 759. (a) If a timely petition for reassessment is not  
9 filed in accordance with the notice provided by the board  
10 pursuant to Section 758, an escape assessment or roll  
11 correction shall become final at the expiration of the  
12 period for filing a petition for reassessment specified by  
13 that notice.

14 (b) The board may extend the period for filing a  
15 petition for reassessment once for a period not to exceed  
16 15 days, provided a written request for the extension is  
17 filed with the board prior to the expiration of the period  
18 for which the extension may be granted.

19 SEC. 14. Section 1605 of the Revenue and Taxation  
20 Code is amended to read:

21 1605. (a) An assessment made outside of the regular  
22 assessment period is not effective for any purpose,  
23 including its review, equalization and adjustment by the  
24 county board, until the assessee has been notified thereof  
25 personally or by United States mail at the assessee's  
26 address as contained in the official records of the county  
27 assessor. For purposes of this subdivision, for counties in  
28 which the board of supervisors has adopted the provisions  
29 of subdivision (c) and counties of the first class, receipt by  
30 the assessee of a tax bill based on that assessment shall  
31 suffice as the notice.

32 (b) Upon application for reduction pursuant to  
33 subdivision (a) of Section 1603, the assessment shall be  
34 subject to review, equalization and adjustment by the  
35 county board. In the case of an assessment made pursuant  
36 to Article 3 (commencing with Section 501) or Article 4  
37 (commencing with Section 531) of Chapter 3 of Part 2,  
38 the application shall be filed with the clerk no later than  
39 60 days after the date of mailing printed on the notice of  
40 assessment, or the postmark therefor, whichever is later.





1 For counties in which the board of supervisors has  
2 adopted a resolution in accordance with subdivision (c),  
3 and counties of the first class, an application subject to the  
4 preceding sentence shall be filed within 60 days of the  
5 date of mailing printed on the tax bill or the postmark  
6 therefor, whichever is later. If the taxpayer does not  
7 receive the notice of assessment described in Section 534  
8 at least 15 calendar days prior to the deadline to file the  
9 application described in Section 1603, the party affected,  
10 or his or her agent, may file the application within 60 days  
11 of the date of mailing printed on the tax bill or the  
12 postmark therefor, whichever is later, along with an  
13 affidavit declaring under penalty of perjury that the  
14 notice was not timely received.

15 (c) The board of supervisors of any county may by  
16 resolution require that the application for reduction  
17 pursuant to subdivision (a) of Section 1603 be filed with  
18 the clerk no later than 60 days after the date of mailing  
19 printed on the tax bill or the postmark therefor,  
20 whichever is later.

21 (d) In counties where assessment appeals boards have  
22 not been created and are not in existence, at any regular  
23 meeting, the board of supervisors, on the request of the  
24 assessor or any taxpayer, shall sit as the county board to  
25 equalize any assessments made by the assessor outside the  
26 regular assessment period for those assessments.  
27 Notwithstanding any other provision of law to the  
28 contrary, in any county in which assessment appeals  
29 boards have been created and are in existence, the time  
30 for equalization of assessments made outside the regular  
31 assessment period for those assessments, including  
32 assessments made pursuant to Sections 501, 503, 504, 531,  
33 and 531.5, shall be prescribed by rules adopted by the  
34 board of supervisors.

35 (e) If an audit of the books and records of any  
36 profession, trade, or business pursuant to Section 469  
37 discloses property subject to an escaped assessment for  
38 any year, then the original assessment of all property of  
39 the assessee at the location of the profession, trade, or  
40 business for that year shall be subject to review,



1 equalization and adjustment by the county board of  
2 equalization or assessment appeals board pursuant to this  
3 chapter, except in those instances when that property  
4 had previously been equalized for the year in question by  
5 the county board of equalization or assessment appeals  
6 board. The application shall be filed with the clerk no  
7 later than 60 days after the date on which the assessee was  
8 notified. Receipt by the assessee of a tax bill based upon  
9 that assessment shall suffice as that notice.

10 (f) For purposes of subdivision (a), “regular  
11 assessment period” means January 1 to and including July  
12 1 of the calendar year in which the assessment, other than  
13 escape assessments, should have been enrolled if it had  
14 been timely made.

15 SEC. 15. Section 17935 of the Revenue and Taxation  
16 Code is amended to read:

17 17935. (a) For each taxable year beginning on or  
18 after January 1, 1997, every limited partnership doing  
19 business in this state (as defined by Section 23101) and  
20 required to file a return under Section 18633 shall pay  
21 annually to this state a tax for the privilege of doing  
22 business in this state in an amount equal to the applicable  
23 amount specified in Section 23153.

24 (b) (1) In addition to any limited partnership that is  
25 doing business in this state and therefore is subject to the  
26 tax imposed by subdivision (a), for each taxable year  
27 beginning on or after January 1, 1997, every limited  
28 partnership that has executed, acknowledged, and filed  
29 a certificate of limited partnership with the Secretary of  
30 State pursuant to Section 15621 of the Corporations Code,  
31 and every foreign limited partnership that has registered  
32 with the Secretary of State pursuant to Section 15692 of  
33 the Corporations Code, shall pay annually the tax  
34 prescribed in subdivision (a). The tax shall be paid for  
35 each taxable year, or part thereof, until a certificate of  
36 cancellation is filed on behalf of the limited partnership  
37 with the office of the Secretary of State pursuant to  
38 Section 15623 or 15696 of the Corporations Code.

39 (2) If a taxpayer files a return with the Franchise Tax  
40 Board that is designated its final return, that board shall

1 notify the taxpayer that the minimum tax is due annually  
2 until a certificate of cancellation is filed with the  
3 Secretary of State pursuant to Section 15623 or 15696 of  
4 the Corporations Code.

5 (c) The tax imposed under this section shall be due  
6 and payable on the date the return is required to be filed  
7 under former Section 18432 or 18633.

8 (d) For purposes of this section, “limited partnership”  
9 means any partnership formed by two or more persons  
10 under the laws of this state or any other jurisdiction and  
11 having one or more general partners and one or more  
12 limited partners.

13 (e) Notwithstanding subdivision (b), any limited  
14 partnership that ceased doing business prior to January 1,  
15 1997, filed a final return with the Franchise Tax Board for  
16 a taxable year ending before January 1, 1997, and filed a  
17 certificate of dissolution with the Secretary of State  
18 pursuant to Section 15623 of the Corporations Code prior  
19 to January 1, 1997, shall not be subject to the tax imposed  
20 by subdivision (b) of this section for any period following  
21 the date the certificate of dissolution was filed with the  
22 Secretary of State, but only if the limited partnership files  
23 a certificate of cancellation with the Secretary of State  
24 pursuant to Section 15623 of the Corporations Code. In  
25 the case where a notice of proposed deficiency  
26 assessment of tax or a notice of tax due (whichever is  
27 applicable) is mailed after January 1, 2001, the first  
28 sentence of this subdivision shall not apply unless the  
29 certificate of cancellation is filed with the Secretary of  
30 State not later than 60 days after the date of the mailing  
31 of the notice.

32 SEC. 16. Section 19052 is added to the Revenue and  
33 Taxation Code, to read:

34 19052. Notwithstanding any other provision of this  
35 part to the contrary, denial of credits or refunds claimed  
36 on or after January 1, 2001, in accordance with Section  
37 17052.6 may be made pursuant to Section 19051, except  
38 that in these cases claimants shall have the right of protest  
39 and appeal provided by this part.

1 SEC. 17. Section 19236 of the Revenue and Taxation  
2 Code is amended to read:

3 19236. For purposes of issuing a warrant pursuant to  
4 this article:

5 (a) (1) No levy may be issued on any property or right  
6 to property to be sold in accordance with the Code of  
7 Civil Procedure until a thorough investigation of the  
8 status of the property has been completed by the  
9 Franchise Tax Board.

10 (2) For purposes of paragraph (1), an investigation of  
11 the status of any property shall include all of the following:

12 (A) A verification of the taxpayer's liability.

13 (B) The completion of an analysis to determine  
14 whether the expense of the sale process to the state  
15 exceeds the liability for which the levy would be issued.

16 (C) The determination that the equity in the property  
17 is sufficient to yield net proceeds from the sale of the  
18 property to apply to the liability.

19 (D) A thorough consideration of alternative collection  
20 methods.

21 (b) If the amount of the levy does not exceed five  
22 thousand dollars (\$5,000), no levy may be issued on either  
23 of the following:

24 (1) Any real property used as a residence by the  
25 taxpayer.

26 (2) Any real property of the taxpayer (other than real  
27 property which is rented) used by any other individual as  
28 a residence.

29 (c) Notwithstanding the investigation required under  
30 subdivision (a):

31 (1) The principal residence of the taxpayer may not be  
32 sold except in accordance with Article 4 (commencing  
33 with Section 704.710) of Chapter 4 of Division 2 of Title  
34 9 of the Code of Civil Procedure, which requires a court  
35 order for sale.

36 (2) Tangible personal property or real property (other  
37 than real property which is rented or a principal  
38 residence) used in the trade or business of an individual  
39 taxpayer may not be levied unless:

1 (A) The levy is approved in writing by the assistant  
2 executive officer for collection (or delegate), or

3 (B) The Franchise Tax Board finds that collection of  
4 tax is in jeopardy. The officer, or delegate, may not  
5 approve a levy under subparagraph (A) unless the officer  
6 determines that the taxpayer's other assets subject to  
7 collection are insufficient to pay the amount due,  
8 together with expenses of the proceedings.

9 (d) This section shall be operative for any warrant  
10 issued on or after the effective date of the act adding this  
11 section.

12 SEC. 18. The amendments to Section 17935 of the  
13 Revenue and Taxation Code made by Section 15 of this  
14 act are consistent with the amendments made by Section  
15 54 of Chapter 987 of the Statutes of 1999, and are  
16 declaratory of existing law.

17 SEC. 19. No reimbursement is required by this act  
18 pursuant to Section 6 of Article XIII B of the California  
19 Constitution for certain costs that may be incurred by a  
20 local agency or school district because in that regard this  
21 act creates a new crime or infraction, eliminates a crime  
22 or infraction, or changes the penalty for a crime or  
23 infraction, within the meaning of Section 17556 of the  
24 Government Code, or changes the definition of a crime  
25 within the meaning of Section 6 of Article XIII B of the  
26 California Constitution.

27 However, notwithstanding Section 17610 of the  
28 Government Code, if the Commission on State Mandates  
29 determines that this act contains other costs mandated by  
30 the state, reimbursement to local agencies and school  
31 districts for those costs shall be made pursuant to Part 7  
32 (commencing with Section 17500) of Division 4 of Title  
33 2 of the Government Code. If the statewide cost of the  
34 claim for reimbursement does not exceed one million  
35 dollars (\$1,000,000), reimbursement shall be made from  
36 the State Mandates Claims Fund.

O